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LAW OF THE REPUBLIC OF ARMENIA

NON-OFFICIAL TRANSLATION

Adopted on October 24, 2001

LAW ON CHAMBERS OF COMMERCE AND INDUSTRY

CHAPTER I

GENERAL PROVISIONS

ARTICLE 1. LAW REGULATION OBJECT

1. The present Law defines “Chamber of Commerce and Industry” organizational-legal form in the Republic of Armenia, general legal basis on the establishment of Chambers of Commerce and Industries and regulates relations concerning these activities.
2. The name of Chamber of Commerce and Industry is composed of its place name and the phrase “Chamber of Commerce and Industry”

ARTICLE 2. CHAMBERS’ CONCEPT

1. Regional (Yerevan included) Chamber of Commerce and Industry is considered to be non-commercial organization established by legal entities and individual entrepreneurs registered in the region according to the order defined by the law and on the basis of voluntary membership (hereafter referred as “CCI”)
2. CCI-s come together and establish Chamber of Commerce and Industry of the Republic of Armenia (hereafter referred as “RA CCI”) representing their general interests according to the order defined by the Law
3. The system of Chambers of Commerce and Industry (hereafter Chamber(s)) covers RA CCI and other CCI-s, legal entities created by the Chamber as well.
4. No other organization has the right to use “Chamber of Commerce”, “Chamber of Commerce and Industry”, “CCI” or “RA CCI” phrases or get state registration with these names
5. RA CCI may have honorary members, whose status is defined by RA CCI Charter. RA CCI honorary members may participate in decree-adoption process only with the right of consultative vote (2nd article amendments in 20.05.05 ՀՕ-118-Ն law)

ARTICLE 3. CHAMBERS’ LEGISLATION

Legislation on Chambers consists of the Constitution of the Republic of Armenia, Civil Code of the Republic of Armenia, this Law and other legal acts

CHAPTER II CHAMBER OBJECTIVES, TASKS, FUNCTIONS

ARTICLE 4. CHAMBER OBJECTIVES AND TASKS

The main objective of Chambers' establishment and activity is the protection of their members' general interests and rights, their representation in the relationship with state governing and local self-governing bodies of the Republic of Armenia, abroad as well.

Chamber tasks are the following

- a. Promotion on the development of the economy of Armenia and its integration into the World economy.
- b. Supporting comprehensive and harmonized development of all types of entrepreneurship
- c. Supporting the enforcement of trade-economic and scientific-technical relations with foreign entrepreneurs
- d. Contributing to the formation of favorable environment for enterprise activity
- e. Assisting to the territorial development of enterprise activity in accordance with privileges defined by the country
- f. The establishment of cooperation between business organizations, as well as serve as a bridge between business organizations and government bodies
- g. Assist the creation and enhance the system of training and upgrading of the business personnel in the Republic of Armenia and participation of implementation and execution of this area's programs
- h. Providing informative and consulting services to self-employed businessmen, commercial organizations and Unions, promoting the formation of business information rendering infrastructure
- i. Supporting the settlement of disputes which arise between businessmen, commercial organizations
- j. Assist to establishment and development of business promoting infrastructures
- k. Implementation of other issues initiated by this Charter

ARTICLE 5 CHAMBER FUNCTIONS

Chambers

- a. Represent and protect their members' legal interests in government and non-government bodies, institutions and organizations
- b. Carry non-government register of the commercial organizations and self-employed businessmen, whose financial-economic state certifies about their being reliable partner from business point of view in the Republican area and abroad
- c. Goods' independent examination on the base of the application made by domestic and foreign commercial organizations and self employed businessmen, supervision and verification of goods' quality, quantity and completeness and take responsibility for its trustworthiness according to the order defined by the Legislation

- d. Promote trade organizations home and abroad, individual entrepreneurs for registration the names of places of the invention, useful models, industrial samples, signs, service signs, goods' origin, their participation in the exhibitions as well
- e. Develop business programs
- f. Establish the information data base
- g. Organize and participate in the exhibitions and fairs

In Armenia and abroad

- h. Publish newspapers, journals and other printed materials defined by the Legislation
 - i. Contribute to the export of the goods and services produced by their members, strengthening and development of trade-economic and scientific-technical cooperation with foreign legal and physical persons
 - j. Establish Arbitration court adjunct to CCI to resolve economic disputes
 - k. CCI-s can participate in the development of other legal projects and laws via RA CCI regulating entrepreneurial activity
- (5th article is changed 20.05.05 ՀՕ-118-Ն, 25.12.06 ՀՕ-56-Ն laws)

ARTICLE 6. RA CCI FUNCTIONS

In addition to the functions assigned to Chambers with this Law, RA CCI implements also the following functions

- a. Systematizes CCI-s' activity, represents the systems of Chambers of the Republic of Armenia in the Republic and abroad
- b. Can participate in the development of other legal acts and laws of the Republic of Armenia concerning entrepreneurs' interests
- c. Submits conclusions and proposals submitted by RA Government on development of Armenia's economy
- d. Verifies force-majeure circumstances and customs of business circulation adopted in the Republic in accordance with the International Commercial and RA International Agreement provisions
- e. Defines the form of keeping of non-government register of non-commercial organizations and self-employed businessmen of the Republic of Armenia, whose financial-economic state certifies about their reliability in business activities in the Republican area and abroad
- f. (f sub point of 6th article has repealed)
- g. Provides goods' certification of origin and takes responsibility for their trustworthiness according to the order defined by the Legislation. Goods' certification of origin providing order and fee amount is defined by RA Government
- h. Participates in the implementation and execution in state projects aimed at supporting Small and Medium Enterprises

CHAPTER III

CHAMBERS' ESTABLISHMENT

Article 7 CHAMBERS' ESTABLISHMENT ORDER

1. After completing a month upon the adoption of this point Initiative group, being created at least from 10 legal persons, can apply for CCI-s' establishment (Central body of State Register of the Republic of Armenia).

The application contains the following documents

- a. Application on initiating the establishment of CCI
- b. List of Initiative group members concluded and signed by all members. The list contains initiative group members' State Registration data, company name and location
- c. Draft Charter of CCI

The application submitted by Initiative group is accepted by Marz Center territorial division of State Register of the Republic of Armenia and recorded in the relevant register. The person who has submitted the application is given a receipt containing note on date and time of submission. During 10 days from the moment of application submission the application is registered by the Marz Center territorial division of State Register of the Republic of Armenia. The registration of application can be rejected, if false information has been submitted, draft charter is contrary to this law or an application has been already submitted.

If more than one application is submitted, next submitted application is discussed in case of rejection of the application. After registration of the application Marz center territorial division of State Register of the Republic of Armenia rejects next submitted application in written form noting the reason of their refusal: the application of CCI-s creation has been already registered. During a week after registration of the application Initiative group publishes a statement in the press containing data about State Registration of legal entities noting registration number of the application. Business entities, registered in the marz, express their desire to the Initiative group to participate in CCI Founding Congress and recorded by the latter one. After at least two months from publishing the statement on CCI establishment, not later than three months, initiative group invites CCI Founding Congress. Statement about the invitation of Founding Congress is published at least before 15 days from the Congress day. In case of not inviting Congress or rejecting the application in the date defined by the Law, registered application is deemed to be invalid, registration of next submitted application is being discussed. Initiative group powers terminate upon the completion of Founding Congress works.

2. CCI is established by Founding Congress decree. The Congress approves CCI Charter and elects its executives.

3. RA CCI is established in line with this law during 6 months from the moment of law adoption by the decree of Founding Congress invited by Initiative group comprising of one representative from each state registered CCI-s. RA CCI Founding Congress delegate quotas are distributed in proportion to the number of CCI-s' members. Head of State Register of the Republic of Armenia and his deputy is

participating in the works of RA CCI Founding Congress with a right of consultative vote.

ARTICLE 8: CHAMBER CHARTER

1. Chamber Charter regulates Chamber objectives, tasks, functions and other issues concerning entrepreneurship
2. Chamber Charter covers
 - a. Complete and abbreviate name of Chamber in Armenian, Russian and English languages, objectives of establishment, scope of activities and functions
 - b. Date of the establishment of Chamber and location
 - c. Chamber membership, termination of membership, fees payment and its terms
 - d. Chamber management order
 - e. Property ownership, use and disposal order
 - f. Other provisions concerning Chamber functions can be used in Charter as well

ARTICLE 9 CHAMBER MEMBERS' RIGHTS AND OBLIGATIONS

1. Chamber members have right to
 - a. Elect and be elected in Government bodies of Chamber
 - b. Submit proposals for the discussion of Government bodies on Chamber's activity in accordance with the order defined by Chamber Charter
 - c. Benefit from the services rendered by Chamber in privileged conditions or free of charge
 - d. Benefit from other rights reserved them by Chamber Charter
2. Chamber member is responsible for
 - a. Executing decisions concerning Charter tasks adopted by Chamber's Government bodies
 - b. Paying membership fees
 - c. Promoting the implementation of Chamber Charter issues
 - d. Realizing other obligations defined by Chamber Charter

ARTICLE 10 CHAMBER MEMBERSHIP FEES RATES

1. Chamber membership fees rates are defined by the order of Chamber Charter
2. CCI-s are paying a part of their membership fees of their members to RA CCI as a membership fee by the order and extent defined RA CCI Congress

ARTICLE 11 CHAMBERS' STATE REGISTRATION

Chambers are subject to state registration in accordance with the Law.

CHAPTER IV

CHAMBER'S MANAGEMENT BODIES

ARTICLE 12. CHAMBER CONGRESS

1. The highest governing body of Chamber is the Congress, which is held once every 5 years
2. Information about the date, place and agenda of Congress should be provided by Presidium to Chamber members at least a month before the opening the Congress
3. Congress
 - a. Approves Chamber Charter, makes amendments in it
 - b. Elects President and Presidium for 5 years term
 - c. Approves Chamber programs and directions of activity
 - d. Listens and evaluates reports of Chamber President and Executive Director
4. A special session can be convened with the initiative of third part of overall members of Chamber or Presidium
5. The issues discussed in the Congress are adopted by absolute majority of present delegate's votes, and Charter approval and amendments can be solved with at least two third
6. The quorum of the Congress is two third of its delegates
(Article 12 is changed 20.05.05 ZO-118-У law)

ARTICLE 13. CHAMBER PRESIDIUМ

1. The Presidium is the managing body of CCI RA during the time frame between the Congresses
2. Chamber Presidium members are working on non-profit basis, except Executive Director
3. CCI-s' Presidents and RA CCI Executive Director are considered to be Chamber Presidium members officially
4. Chamber Presidium
 - a. Elects Chamber Presidents' deputies
 - b. Approves the annual programs and budget of Chamber submitted by President
 - c. Convenes regular and special Congresses
 - d. Approves the structure and staff of Directorate, directions of activity
 - e. Appoints and dismisses the Executive director from his post with the proposal of the President
 - f. Expresses Chamber position on economic political issues
 - g. Realizes other powers defined by Chamber Charter
 - h. Makes decision on establishing Arbitration court adjunct to Chamber

- i. Makes decision on establishing Chamber representation abroad
 - j. Makes decision on casting a vote no-confidence to the given CCI president upon violation the requirements of this law and Charter
 - 5. The Presidium sessions are held at least once a quarter
 - 6. The quorum of Presidium sessions are two third of Presidium members
 - 7. The decisions of Presidium are accepted by present members' absolute majority votes
8. RA CCI Presidium
- a. Approves the Charters of Arbitration Court at CCI and RA CCI, the rules of examining and settling disputes in accordance with requirements of the Legislation
 - k. Makes decision on casting a vote no-confidence to the given CCI President and (or) Presidium upon violation the requirements of this law and Charter. The issue of no-confidence to the President and (or) Presidium may be put only one time in the planned term with the 1st point of Article 1 of the Law "On Chambers of Commerce and Industry" of the Republic of Armenia
9. RA CCI Presidium, decision was adopted for the President and (or) Presidium of the latter one defined by "j" sub point of 4th point and (or) "b" sub point of 8th point of the present Article, is obliged to convene special Chamber Congress for holding President and Presidium elections from the date of decision adoption. President and (or) Presidium power term is in force until convening next Congress planned by the first point of Article 12 of the Law "On Chambers of Commerce and Industry" of the Republic of Armenia.
(Article 12 is changed 20.05.05 ՀՕ-118-Ն, 25.12.06 ՀՕ-56-Ն laws)

ARTICLE 14. CHAMBER PRESIDENT

- 1. Is the Chairman of the Presidium officially
- 2. Chamber President
 - a. Convenes and conducts the Presidium sessions
 - b. Is responsible for the general management of the Chamber system
 - c. Represents the Chamber in the Republic of Armenia and abroad
 - d. Signs contracts, agreements, gives warrants on behalf of the Chamber
 - e. Submits the structure of Directorate and directions of activity to Chamber Presidium verification
 - f. Signs the decrees of Presidium
 - g. Carries out other power defined by Chamber Charter
 - h. In the absence of President Vice-President substitutes him

ARTICLE 15. CHAMBER DIRECTORATE

- 1. The executive body of the Chamber is its Directorate
- 2. The Directorate of the Chamber is headed by the Executive Director
- 3. The Executive Director of Chamber
 - a. Is considered to be Presidium member officially
 - b. Conducts Chamber's current activities
 - c. Organizes the implementation of Chamber Presidium decisions and implements the assignments of President

- d. Submits action plan projects to Chamber Presidium verification and reports on the implemented projects
- e. Takes on work and dismisses the employees of Directory, makes decision for their encouragement and punishment
- f. Operates on behalf of Chamber in the framework of its competence and implements other tasks defined by Chamber Charter

ARTICLE 16. SUPERVISION OF CHAMBER ACTIVITY

Supervision upon the financial activity of Chamber is made through independent auditor organizations, whose election is made by Chamber Presidium

CHAPTER V

CHAMBER INTERNATIONAL ACTIVITY

ARTICLE 17. INTERNATIONAL RELATIONS AND PARTICIPATION IN THE WORKS OF INTERNATIONAL ORGANIZATIONS

The Chamber represents the interests of its members in International Chamber of Commerce, Eurochambres, Association for the Protection of Industrial Property, International Bureau of Exhibitions, International Labor organizations as well as in other international organizations in relation to RA CCI business activities

ARTICLE 18. INTERNATIONAL TREATIES

If other norms are defined by International treaties of the Republic of Armenia than those planned with this law, norms of International treaties are being put into practice.

CHAPTER VI

CONCLUDING PROVISIONS

ARTICLE 19. CONCLUDING PROVISIONS

Operating RA CCI continues to carry out its functions fully till State Registration of RA CCI by the defined order of the present Law. Certificates of goods' origin are provided to business entities till the moment of beginning the implementation of the function to provide certificates of goods' origin by RA CCI created in line with the present law.

ARTICLE 20. ENTRY INTO FORCE OF THE LAW

The present Law comes into force from the moment of its official promulgation.